

***Privcap Funding LLC v. Levine, et al.***  
**Civil Action No. 19-cv-18122-MCA-LDW**

**Legal Addendum to Monthly Reports**

Colliers International NJ LLC (“Colliers” or the “Receiver”) was appointed to serve as the receiver for the eight properties at issue in this action identified below by an Order of this Court entered on September 26, 2019 (ECF # 4), as amended by Order entered December 4, 2019 (ECF # 40) (the “Receiver Order”):

1. 249 Main Avenue, Passaic, NJ 07055
2. 1041 Louisa Street, Elizabeth, NJ 07201
3. 1114 7th Street, North Bergen, NJ 07047
4. 286 Bertrand Avenue, Perth Amboy, NJ 08861
5. 112 N. Pavilion Avenue, Riverside, NJ 08075
6. 4318 Kennedy Blvd., Union City, NJ 07087
7. 299 New Brunswick Avenue, Perth Amboy, NJ 08861
8. 429 St. Mihiel Drive, Riverside, NJ 08075

Sills Cummis & Gross P.C. (“Sills Cummis”) was subsequently approved to serve as counsel for the Receiver, to assist with the performance of those duties described in the Receiver Order, by further Order of this Court entered on October 10, 2019 (ECF # 7).

Upon their appointments, the Receiver and subsequently Sills Cummis were immediately confronted with a multitude of emergent issues that required immediate actions to protect and preserve the Properties, and to achieve a habitable environment for the residential and other tenants that continue to occupy them notwithstanding the borrower defendants’ wholesale – and admitted – abandonment of their management responsibilities. This included addressing unpaid utility bills, insect and rodent infestations, notices to vacate Properties issued by New Jersey Department of Community Affairs (“DCA”), hundreds of health, safety, and fire code violations and fines, and a deluge of tenant complaints. The Receiver and Sills Cummis were immediately (and continue to be) inundated with calls, e-mails, and various other correspondence from tenants, their legal representatives, state and local officials, and the borrower defendants’ unsatisfied creditors, all looking for the Receiver to immediately address innumerable issues arising from the borrower defendants’ actions (and inaction). By way of example only, since its appointment as the Receiver’s counsel in this matter, Sills Cummis has provided the following legal assistance and services to the Receiver with respect to the Properties:

- (1) Engage and interface with an electronic data vendor to image, convert, and extract electronic data maintained by the Levine Defendants to obtain information necessary for the Receiver to effectively manage these Properties;
- (2) Undertake to compel the borrower defendants’ compliance with the Receiver Order, including the transfer of funds, security deposits and financial information necessary to administer, manage and market the

Properties;

- (3) Prepare notices to tenants of the Properties concerning Colliers' appointment as Receiver and related transition in management;
- (4) Communicate with Plaintiff, Plaintiff's counsel, and Plaintiff's loan servicer concerning the status of the Properties and the receivership;
- (5) Prepare applications for approval of the Receiver's counsel and the Receiver's compensation;
- (6) Assist the Receiver in preparing and filing monthly status reports and inventories for the Properties;
- (7) Assist the Receiver with its reporting obligations under the Receiver Order for each of the Properties;
- (8) Prepare Amended Receiver Order and related application for entry, including extensive communications with interested parties to address proposed modifications and additions;
- (9) Research and prepare memorandum concerning relocation obligations for displaced tenants;
- (10) Assist the Receiver with registering the Properties with the New Jersey Department of Community Affairs, in accordance with the New Jersey Hotel and Multiple Dwelling Law, *N.J.S.A. § 55:13A-1, et seq.*;
- (11) Assist and advise the Receiver concerning repair and maintenance obligations, engagement of agents, and reporting obligations;
- (12) Correspond with counsel for the parties and non-parties concerning efforts to market and sell certain Properties and form of sale procedures order;
- (13) Communicate with vendors and utility providers concerning outstanding invoices for charges incurred prior to the Receiver's appointment;
- (14) Communicate with the New Jersey Department of Community Affairs to address reported code violations at the Properties and assist the Receiver with abating the violations;
- (15) Interface with municipal and state agencies and utility providers to address utility issues and building and health code violations at 429 St. Mihiel Drive, Riverside, NJ, including (a) unpaid water and utility bills, which almost resulted in the water service being terminated and the Township ordering the building to be vacated; and (b) other building code violations;
- (16) Interface with municipal and state agencies and utility providers to address

building and health code violations at 112 N. Pavilion Avenue, Riverside, NJ, including (a) an order of condemnation and to vacate the remaining tenants due to a bed bug infestation; (b) fire code violations; and (c) other building code violations;

- (17) Assist the Receiver in temporarily relocating the tenants of 112 N. Pavilion Avenue, Riverside, NJ due to the bed bug infestation, including interfacing with the advocate for one of the tenants who is legally blind, and other charitable and state agencies and organizations;
- (18) Interface with municipal agencies and officials concerning existing code violations for 4318 Kennedy Boulevard, Union City, NJ, and work with the municipality and the Receiver to abate these violations;
- (19) Address and resolve leasehold disputes, prepare notice of default letters to tenants due to nonpayment of rents, prepare to institute eviction actions against any tenants that fail to cure their defaults;
- (20) Prepare new leases for certain of the tenants at 285 Bertrand Avenue, Perth Amboy, NJ;
- (21) Appear at municipal court for hearings and trials on building, health code, fire code, and other health and safety violations at the properties;
- (22) Address COVID-19 related legal and receivership issues;
- (23) Prepare and file motion to intervene in tax lien foreclosure again filed against 299 New Brunswick Ave., Perth Amboy, NJ;
- (24) Address redemption of tax sale certificate for 299 New Brunswick Ave., Perth Amboy, NJ; and
- (25) Address tenant inquiries and advise Receiver concerning security deposit issues.

The foregoing constitutes a representative summary of the legal services and assistance that Sills Cummis has provided the Receiver since its appointment, and continues to provide each day. The foregoing is not intended to be comprehensive or complete. Sills Cummis anticipates that it will be necessary to continue to provide these and other similar services going forward to address issues such as these, as well as any new issues that may arise.